Idaho Grain Market Report, December 20, 2019—NEW CROP PRICES

Published weekly by the Idaho Barley Commission
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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday December 18, 2019. Barley prices in $/Cwt. And wheat prices in $/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open Market Malting	Wheat (bu.) Milling #1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Rexburg / Ririe	6.00		4.95-5.10	5.25	5.60	5.00-5.25
Idaho Falls		8.30-8.33	5.00	5.20	5.50	5.15
Blackfoot / Pocatello		7.06	5.00	5.20	5.50	5.15
Grace / Soda Springs	7.00			5.09	5.49	5.09
Burley / Rupert	6.50		5.18	4.82	5.43	5.27
Twin Falls / Buhl Jerome / Wendell	6.00		4.95			
Nampa / Weiser			NA			
Nezperce / Craigmont	5.21		5.12	5.26	6.16	
Lewiston	5.73		5.38	5.52	6.42	
Moscow / Genesee	5.24-5.43		5.15-5.32	5.29-5.43	6.19-6.33	

Prices at Selected Terminal Markets, cash FOB

Wednesday December 18, 2019. Barley prices in $/Cwt. And wheat prices in $/bu.

	#2 Feed Barley 46 lbs. --	Malting Barley	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			5.90-6.05	6.08-6.18	6.68-7.13	
Ogden	7.80		5.47	5.39	5.79	5.39
Great Falls	4.50-6.50	8.20-8.60		4.90-4.95	5.46-5.71	
Minneapolis					6.74	

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were unchanged to up $0.25 for the week ending December 18. Idaho cash malt barley prices were unchanged for the week. For the period December 6-12, USDA FAS reported net barley sales of 200 MT to South Korea for 2019/2020. Barley exports of 600 MT to Japan, down 31 percent from the previous week and down 32 percent from the prior 4 week average.

Barley and Beer Industry News– The U.S. Congress moved to extend by another year tax breaks for beer, wine and distilled spirits worth hundreds of millions of dollars that were initially approved as part of tax reform in 2017. Without the extension, the Beer Institute said the beer industry faced $130 million in higher taxes. Bills to make the tax reductions permanent have overwhelming support in Congress. The House approved the spending bill on December 17 that includes the tax provisions, while the Senate passed the measure on December 19. Jim McGreevy, president and CEO of the Beer Institute, said the beer industry supports 2.1 million U.S. jobs. He said the bill will provide brewers and beer importers “the certainty they need to continue growing their businesses, provide good-paying jobs across the country, and continue to serve Americans greater varieties of our nation’s most popular alcohol beverage.” The tax breaks are worth $12 million annually to both Anheuser Busch InBev and Molson Coors Brewing Co. In other news, Japan imported nearly 30,500 metric tons (1.4 million bushels) of U.S. food barley between January and October 2019, up 29 percent year-over-year. High beta-glucan barley, produced under contract specifically for the Japanese market, is a value-added market for U.S. barley farmers. Japanese health awareness has created a small but growing niche market for specific varieties of U.S. food barley containing high levels of beta-glucan, a dietary fiber. High beta-glucan barley has heart-healthy properties that may reduce cholesterol, lower the risk of heart disease and reduce glycemic index, according to U.S. research.

Published by the Idaho Barley Commission (IBC) weekly except for weeks with major holidays. Information included is from reliable sources and every effort is made to ensure accuracy on the date of publication, but no independent review has been made and we do not guarantee completeness or accuracy. Use of this information is at your own discretion and risk. Editors: Laura Wilder, IBC Executive Director, lwilder@barley.idaho.gov and Wren Hernandez, IBC Office Manager, whernandez@barley.idaho.gov. Office Phone: 208-334-2090.

Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were up for the week ending December 18. SWW prices ranged from up $0.05 to up $0.35 from the previous week; HRW prices were up $0.25 to up $0.40; DNS prices were up $0.19 to up $0.25; and HWW prices were up $0.25 to up $0.40. USDA FAS reported net sales for 2019/2020 for the period December 6–12 at 868,600 MT, up 73 percent from the prior week and up 95 percent from the previous 4 week average. Increases were primarily to the Philippines (126,300 MT), Mexico (125,000 MT), unknown destinations (124,000 MT), Indonesia (95,000 MT), and Thailand (94,400 MT). Exports of 530,400 MT were up 36 percent from the previous week and up 37 percent from the prior 4-week average.

Wheat News—The USDA reported in their December 12 Wheat Outlook that production cuts for key U.S. competitors may create opportunities for U.S. wheat. While global 2019/20 wheat production is virtually unchanged from last month's forecast, cuts for competitors—Argentina, Australia, and Canada—create potential opportunities for U.S. export advancement. Total U.S. commitments are up 11 percent relative to the same time last year and U.S. price competitiveness in some markets has improved; however, the U.S. share of global exports remains virtually unchanged from 2018/19. While Russia's exportable supplies are lower this year, the country continues to command the greatest share of global wheat exports. On the domestic front, the report noted that U.S. ending stocks are lowered 40 million bushels this month, to 974 million, on both reduced supplies and a projected export increase. The current projected carryout is the lowest since 2014/15 when ending stocks were 752.4 million bushels. The 2019/20 season average farm price is lowered 5 cents per bushel to $4.55 on weaker-than-expected seasonal price recovery, as indicated by monthly NASS prices reported through October 2019 and in recognition that a sizable portion (an estimated 65 percent) of the 2019/20 crop has been marketed through October.

CORN— USDA FAS reported net export sales for 2019/2020 for period December 6-12 of 1,709,400 MT, increases were primarily to Mexico (1,152,700 MT), Japan (214,000 MT), Colombia (119,400 MT), Saudi Arabia (72,600 MT), and Canada (46,200 MT). Exports of 720,100 MT were to Mexico (295,700 MT), Japan (179,600 MT), Saudi Arabia (72,600 MT), Colombia (55,400 MT), and Costa Rica (31,300 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending December 13 averaged 1.064 million bbls/day – down 0.75 percent from the previous week and up 1.72 percent from last year. Total ethanol production for the week came in at 7.448 million barrels. Ethanol stocks were 21.798 million bbls on December 13, down 0.08 percent from last week and down 8.69 percent from last year. An estimated 106.84 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 1.51 billion bu. Corn used needs to average 103.679 million bu per week to meet USDA estimate of 5.375 billions bu for the crop year.

Futures Market News and Trends—Week Ending December 19, 2019

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, December 19:

Commodity	Dec 2019	Week Change	Mar 2020	Week Change	May 2020	Week Change	July 2020	Week Change
CHI SRW	**$5.45¼**	**$0.12¾**	**$5.48¾**	**$0.14**	**$5.50¾**	**$0.13**	**$5.55¾**	**$0.12¼**
KC HRW	**$4.60½**	**$0.17¾**	**$4.68¾**	**$0.18¼**	**$4.76**	**$0.18¾**	**$4.82¾**	**$0.17¼**
MGE DNS	**$5.41¼**	**$0.15½**	**$5.49¼**	**$0.15¼**	**$5.57**	**$0.14¼**	**$5.79**	**$0.27½**
CORN	**$3.68½**	**$0.05½**	**$3.93**	**$0.05**	**$3.98¾**	**$0.05**	**$3.98½**	**$0.05½**

WHEAT FUTURES—Wheat futures prices were up for the market week ending December 19. **Wheat futures prices were up $0.05 to up $0.27½ (per bu) compared to the previous week.**

CORN FUTURES—Corn futures prices were up with higher export sales according to the export data from USDA to end the market week December 19 **Corn futures prices ranged from up $0.05 to up $0.05½ (per bu) over the previous week.**

CRUDE OIL FUTURES—Over the past couple of years, many investors have worried the trade war between the U.S. and China would negatively impact global growth with these two countries being the largest economies in the world. However, the latest data reveals that both regions are seeing better-than-expected growth.

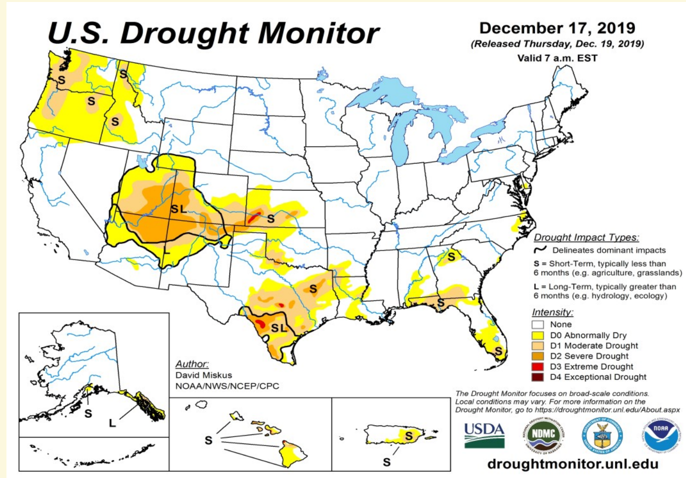
EIA reported U.S. crude oil refinery inputs averaged 16.6 million bbls/day during the week ending December 13, 2019 was 35,000 bbls/day more than last week's average. Refineries operated at 90.6% of capacity last week. As of December 13, there was a decrease in Crude Oil stocks of 1.085 million bbls from last week to 446.833 million bbls, over the 5-year average of 434.121 million bbls. Distillate stocks increased by 1.509 million bbls to a total of 125.096 million bbls, under the 5-year average of 135.454 million bbls; while gasoline stocks increased by 2.529 million bbls to 237.297 million bbls, over the 226.643 million bbl 5-year average. The national average retail regular gasoline price was $2.536 per gallon on December 16, $0.025 lower than last week's price but $0.167 over a year ago. The national average retail diesel fuel price was $3.046 per gallon, down $0.003 per gallon from last week's level and down $0.075 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, December 19, 2019 to close at $61.22/bbl (January contract), up $1.15 for the week.

USDA Crop Progress / Condition Report—Next Report April 6, 2020

U.S. Drought Monitor by the National Drought Mitigation Center—December 17, 2019

National Drought Summary for 12/17/2019:



Northeast-Limited parts of the Delmarva Peninsula are the only areas in drought.

Southeast- Heavy rainfall has almost eliminated drought in the area.

South-Increased dryness in southwestern Arkansas and eastern Texas. Other areas received generous amounts of rain.

Midwest– Region remains drought free.

High Plains– Region remains drought free.

West- Abnormally dry conditions in parts of Washington, Oregon, central Idaho, and western Montana.

Looking Forward– Heavy rain in the Pacific Northwest.

USDA U.S. Crop Weather Highlights—December 19, 2019

West—Wet, breezy conditions from the Pacific Northwest to the northern Rockies. Wintry conditions favoring winter grains from the interior Northwest. Spokane, WA received early morning snow, measuring up to 2 inches.

Plains—Mild, dry weather. Windy conditions eroding winter wheat's protective snow cover in Montana's high plains. The Dakota's and Grand Forks, North Dakota reporting snow depth of up to 10 inches. Areas of drought on the central and southern Plains.

Corn Belt— Lingering cold weather. Temperatures are returning to near to above normal west of the Mississippi River. Snow covering the ground in Midwestern areas limiting or preventing late season harvest efforts. Morning temperatures falling to below 10 degrees in northern and eastern Corn Belt. Snow depths up to 7 inches in Minneapolis– St Paul, Minnesota and 4 inches in Indianapolis, Indiana.

South— Showers linger across the southern tip of Florida. Freeze warnings are in affect in south-central Texas, northeastern Florida and southeastern Georgia. No freeze warnings in Deep South Texas or in Florida's citrus belt.

Outlook for U.S.— Warming trends for most of the U.S. Temperatures should on average be at least 20 degrees warmer across the Plains and as far north as Nebraska. Heavy rain in the Northwest through Friday. Rain and mountain snow in California and the Desert Southwest. Dry weather for the next 5 days across the central and southern Rockies, Plains, Midwest, and Northeast. A weekend storm will bring heavy rain and gusty winds to the Southeast. Rainfall could reach up to 5 inches from northeastern Florida to coastal South Carolina. The NWS 6-10 day weather outlook for December 24-28 calls for above normal temperatures throughout the central and eastern U.S. Cooler than normal weather in the Far West. Below normal rainfall in the East and from Washington to the northern Rockies. Wetter than normal from California to the Plains and Midwest.

International Crop Weather Highlights—December 17, 2019

Europe—Winter crops have gone dormant throughout much of central and northern Europe. Intensified drought in Poland and the Baltic states. Showers maintained ample moisture supplies throughout western Europe and southern Spain.

Middle East– Heavy rain from southern Turkey into western Iran benefited drought and improved moisture for wheat and barley establishment.

Asia– Cold, wet conditions in northern India hindered wheat and rapeseed development but maintained good crop conditions. Mild conditions in eastern China promote development of rapeseed and southern most wheat. Wet conditions across most of Java, Indonesia, benefiting tice establishment but delayed in eastern areas.

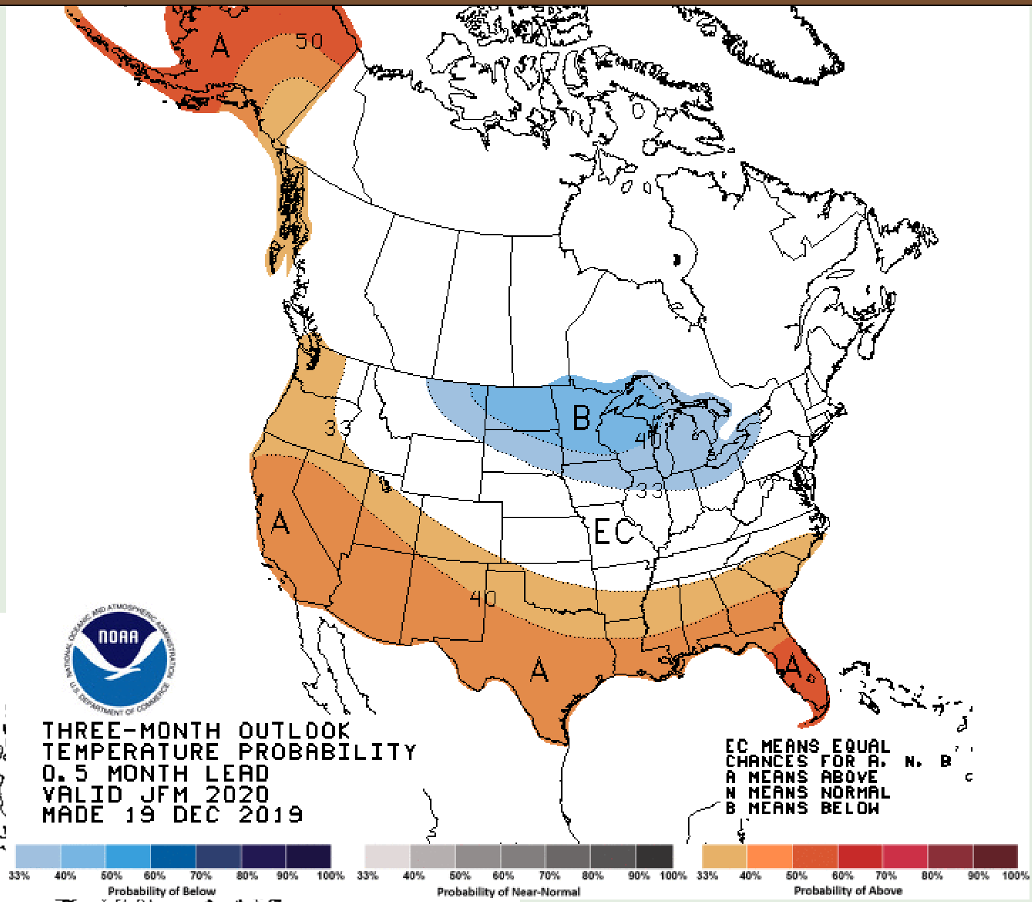
Australia–Major cotton and sorghum areas remain unfavorably dry. Dry conditions benefited latter stages of winter crop harvesting in the wheat belt.

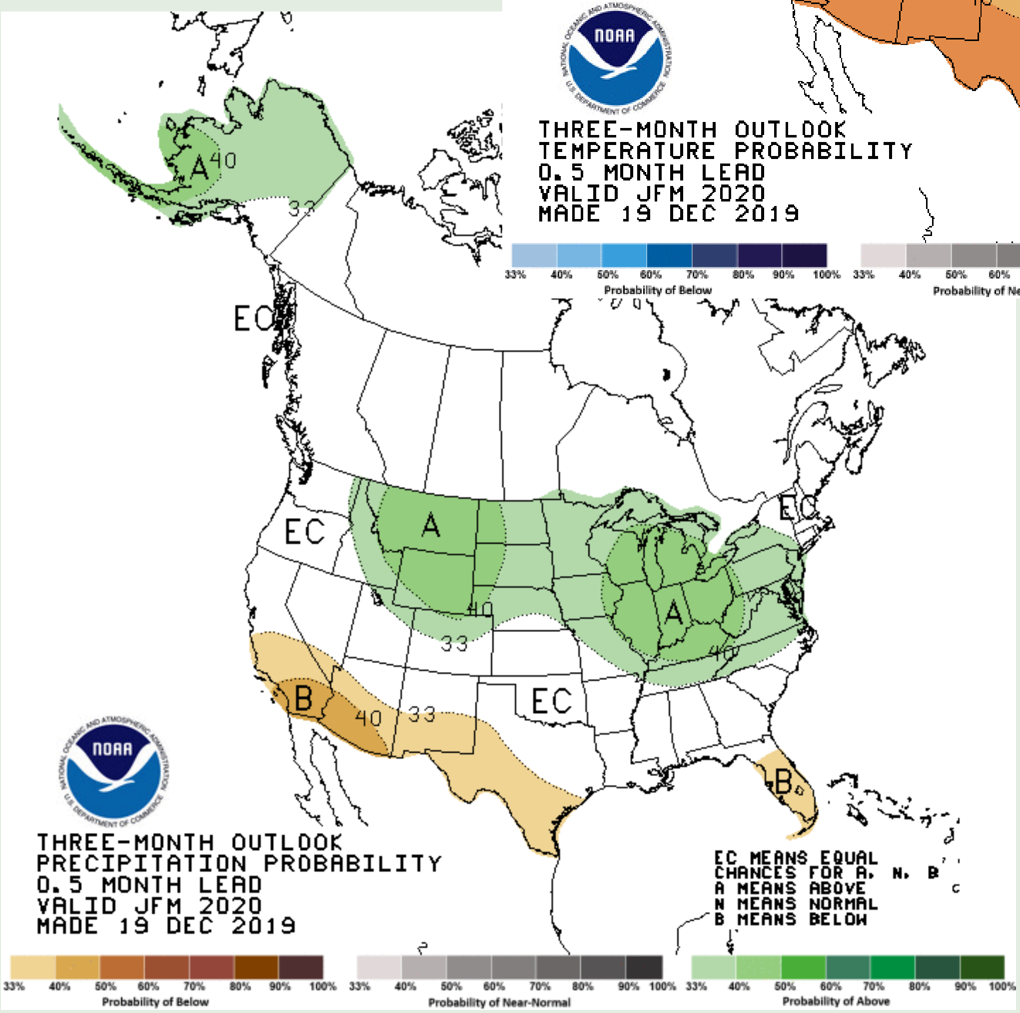
South America– Rainfall benefited conditions for soybeans and first crop corn in major production areas if central and southern Brazil. Hot, dry conditions in Argentina limit moisture for vegetative corn and soybean but hastened drydown and harvesting of winter grains.

South Africa— Heavy rainfall boosted moisture for corn and other summer crops.

Northwestern Africa– Heavy rainfall boosted moisture supplies for emerging to vegetative winter grains. Favorable conditions elsewhere. Drought lingering in western Morocco.

National Weather Service Climate Prediction Center
Three Month Outlook of Temperature and Precipitation, December 19, 2019
For the Months of January, February and March





This is the final Idaho Grain Market Report for 2019 due to the Christmas and New Year's holidays. The next report will be published the first full week of January.

Wishing one and all a Merry Christmas and Prosperous 2020!